



Wisconsin State Senate
John Lehman
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Testimony of Senator John Lehman
Assembly Joint Resolution 65
Assembly Committee on State Affairs and Homeland Security
Tuesday September 15, 2009

Thank you Chair Kessler and State Affairs Committee members for holding a public hearing on Assembly Joint Resolution 65, I am sorry I am not able to appear before you personally but appreciate the opportunity to submit written testimony.

Assembly Joint Resolution 65 is a bipartisan proposal to amend our state constitution to create a limited exemption to the property tax uniformity clause in cases of cooperative mergers between municipalities.

The current state constitutional requirement that the “rule of taxation shall be uniform” can result in a disincentive for communities seeking to consolidate. This is because the merging community with the lower tax rate could end up paying a higher tax rate post-consolidation.

Under AJR 65, newly merged municipalities could maintain differing tax rates for up to 12 years within the territory of each previously separate municipality, but the tax rate must be uniform across that territory.

For years we have talked about the potential advantages that consolidation could hold for municipalities across Wisconsin. AJR 65 will help these local governments make the case to their residents without the specter of higher property taxes. Instead, communities would be allowed to avail themselves of the efficiencies of a consolidation and ease the potential negative property tax impacts on a portion of the newly created municipality.

AJR 65 neither mandates consolidation nor does it require differential tax rates in previously separate municipalities. However this constitutional amendment would allow municipalities to proactively address the potential pitfall created by differing tax rates.

Again, thank you for the opportunity to submit testimony in favor of Assembly Joint Resolution 65. I hope the committee will see fit to advance this proposal for consideration by the full legislature.



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To: Assembly Committee on State Affairs and Homeland Security

From: Curt Witynski, League of Wisconsin Municipalities

Date: September 15, 2009

Re: 2009 AJR 65, Making it Easier for Communities to Consolidate

The League of Wisconsin Municipalities supports AJR 65, amending the Wisconsin Constitution to create an exception to the uniformity clause that would allow a municipality to establish different tax rates in recently consolidated parts of a community. Such a change would allow local governments to address the biggest stumbling block to consolidating neighboring communities -- differently sized property tax bills.

AJR 65 would allow a recently consolidated community to gradually, over several years, blend the different tax rates of the two former communities and thereby lessen the tax increases that the property owners in one community may face when joining another community.

The Assembly unanimously passed a similar proposal last session. A Senate Committee unanimously recommended passage of that same proposal. However the session ended before the full Senate could act on it.

We urge this committee to recommend passage of AJR 65 and make it easier for neighboring communities like Baraboo and West Baraboo, Sauk City and Prairie du Sac, Pewaukee and the Village of Pewaukee, and many others to consolidate.

Thanks for considering our comments.